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CONCLUSIONS AND  
RECOMMENDATIONS**MSF has the financial performance and financial strength to declare a small to moderate dividend this year**

- MSF's adjusted policyholder equity significantly exceeds regulatory thresholds (\$50 million to \$99 million)

MSF held \$318 million at June 30, 2012, and is projecting June 30, 2013 equity of \$355 million before dividend

- Management forecasts FY13 net income of \$39 million (FY2013 Strategic Business Plan), prior to policyholder dividend

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SUMMARY OF ANALYTICAL  
RESULTS

MSF's June 30, 2012 policyholder equity of \$318 million (adjusted equity of \$386 million) significantly exceeds the "regulatory solvency perspective" equity benchmarks

- |   |              |                                   |
|---|--------------|-----------------------------------|
| • Kenney rule (2-to-1 premium-to-equity)              | \$75 million | } Regulatory Solvency Perspective |
| • Early Warning Test                                  |              |                                   |
| • Premium-to-equity (3-to-1)                          | \$50 million |                                   |
| • NAIC Risk Based Capital (RBC)* Company Action Level | \$99 million |                                   |

- Projected June 30, 2013 equity of \$355 million would exceed the 2013 regulatory equity benchmarks by a substantial margin

\*Estimated 6/30/10 value.  
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